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RUEHCN/AMCONSUL CHENGDU 3193
RUEHGZ/AMCONSUL GUANGZHOU 0336
RUEHHK/AMCONSUL HONG KONG 0808
RUEHGH/AMCONSUL SHANGHAI 2647
RUEHSH/AMCONSUL SHENYANG 7139
RHMCSUU/FBI WASHINGTON DC
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RHEFDIA/DIA WASHINGTON DC
RHHJJAA/JICPAC HONOLULU HI
RHHMUNA/USPACOM HONOLULU HI
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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001109

SIPDIS

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TAGS: [KCRM](#) [KJUS](#) [PGOV](#) [PREL](#) [TW](#) [CH](#)

SUBJECT: LIFE SENTENCES FOR FORMER PRESIDENT CHEN, FIRST LADY

REF: A. REF A TAIPEI 1726

[1](#)B. REF B TAIPEI 1107

[1](#)C. REF C TAIPEI 1106

Classified By: The Director for reasons 1.4 (b/d)

[1](#)1. (SBU) Summary. The Taipei District Court on September 11 convicted former President Chen Shui-bian and his wife Wu Shu-jen on multiple corruption charges including embezzlement, money laundering, and bribery. The presiding judge handed down life sentences for both and \$16 million in fines. The court did not address the issue of whether Chen would be released from detention while appealing the decision, a key demand of his supporters who argued he needs to be out of jail to prepare his defense for subsequent trials. End Summary.

Chen Becomes First Convicted Taiwan President

[1](#)2. (SBU) On September 11, the Taipei District Court found former President Chen Shui-bian and his wife Wu Shu-jen guilty of embezzlement, money laundering, bribery, and fraud, marking the end of the first stage of the politically charged trial. Chen, who served as President 2000-08, and Wu were not in court for the announcement. The former first couple and 12 others had been indicted on December 12, 2008 (see ref A).

[1](#)3. (SBU) The Court did not say whether bail would be set for Chen, pending his expected appeal. Critics argued the Court had no choice but to release Chen due to public pressure. Scores of people, primarily supporters of the former President, gathered outside the court to demonstrate support for Chen and to protest what they described as political interference in the judicial system. There were no major incidents, although one Chen supporter collapsed after apparently being overcome by emotions.

Next Step: Appeal

[1](#)4. (C) Guilty verdicts generally can go through two appeals, making it unlikely that Chen will immediately begin his sentence. Now that the Taipei District Court has delivered its verdict, Chen has ten days to file an appeal

with the Taipei High Court, which would draw lots to form the three-judge appellate panel. Appeals are routinely granted.

Immediate Reactions

¶5. (SBU) Two key lawmakers for Chen's Democratic Progressive Party (DPP), Ker Chien-ming and Trong Chai, described the sentences of the former president and his wife as overly heavy and unfair. Ker accused the ruling Kuomintang authorities of using the judiciary as a tool to persecute the former president. On September 9, the DPP's Central Committee adopted a three-point resolution supporting Chen's right to a fair trial. It called on the court to release Chen immediately, to ensure that legal procedures are followed in selecting the presiding appellate judge. The DPP committee also announced it would establish a task force in support of Chen. DPP legislator Ker pledged to lead street protests.

Comment: Short-Term Impact, But Taiwan Will Move On

¶6. (C) Although most people expected Chen to be convicted and to receive a heavy sentence, the verdict was nonetheless sobering. It came at the end of a busy week in Taiwan politics and will likely push from the headlines a major Cabinet reshuffle (see ref B) and other issues of the day. Longer term, attention on the case is expected to fade as the public's focus shifts to other events, including a September

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26 legislative by-election and local elections on December 5.

¶7. (C) While the charismatic Chen will still attract attention (he has published several books while in detention), his influence on Taiwan politics is likely to continue to diminish, particularly if he remains in detention. Many in Chen's DPP party are grateful for his role in breaking the Kuomintang monopoly on political power but now feel the need to move on. Indeed, DPP Chair Tsai Ing-wen confided to Director Stanton on September 10 that Chen and his corruption cases were hurting the party, but she claimed the damage would lessen over time (see ref C). Now, the spotlight will increasingly shift to President Ma, who has steadfastly refused to discuss a pardon while Chen's case was before the courts. Although the two-tiered appeal process will take months if not years to complete, the image of his predecessor serving out a life term will weigh heavily on Ma as he considers whether to grant a pardon. Against this, Ma will need to balance the criticism he would receive from fellow KMT members and the prospect of a free, charismatic Chen rallying his many remaining supporters.

STANTON